

Fill in this information to identify the case:

Debtor Name Celsius Network LLC, et al.
 United States Bankruptcy Court for the: Southern District of New York
 (State)
 Case number: 22-10964 (MG)

Official Form 426

**Periodic Report Regarding Value, Operations, and Profitability of Entities
 in Which the Debtor's Estate Holds a Substantial or Controlling Interest**

12/17

This is the *Periodic Report* as of 1/31/2023 on the value, operations, and profitability of those entities in which a Debtor holds, or two or more Debtors collectively hold, a substantial or controlling interest (a "Controlled Non-Debtor Entity"), as required by Bankruptcy Rule 2015.3. For purposes of this form, "Debtor" shall include the estate of such Debtor.

The Debtors¹ hold a substantial or controlling interest in the following entities:

Name of Controlled Non-Debtor Entity	Interest of the Debtor	Tab #
See attached exhibits		

This *Periodic Report* contains separate reports (*Entity Reports*) on the value, operations, and profitability of each Controlled Non-Debtor Entity.

Each *Entity Report* consists of five exhibits.

Exhibit A contains the most recently available: balance sheet, statement of income (*loss*), statement of cash flows, and a statement of changes in shareholders' or partners' equity (*deficit*) for the period covered by the *Entity Report*, along with summarized footnotes.

Exhibit B describes the Controlled Non-Debtor Entity's business operations.

Exhibit C describes claims between the Controlled Non-Debtor Entity and any other Controlled Non-Debtor Entity.

Exhibit D describes how federal, state or local taxes, and any tax attributes, refunds, or other benefits, have been allocated between or among the Controlled Non-Debtor Entity and any Debtor or any other Controlled Non-Debtor Entity and includes a copy of each tax sharing or tax allocation agreement to which the Controlled Non-Debtor Entity is a party with any other Controlled Non-Debtor Entity.

Exhibit E describes any payment, by the Controlled Non-Debtor Entity, of any claims, administrative expenses or professional fees that have been or could be asserted against any Debtor, or the incurrence of any obligation to make such payments, together with the reason for the entity's payment thereof or incurrence of any obligation with respect thereto.

This *Periodic Report* must be signed by a representative of the trustee or debtor in possession.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

Debtor Name Celsius Network LLC, et al.

Case number 22-10964 (MG)

The undersigned, having reviewed the *Entity Reports* for each Controlled Non-Debtor Entity, and being familiar with the Debtor's financial affairs, verifies under the penalty of perjury that to the best of his or her knowledge, (i) this *Periodic Report* and the attached *Entity Reports* are complete, accurate, and truthful to the best of his or her knowledge, and (ii) the Debtor did not cause the creation of any entity with actual deliberate intent to evade the requirements of Bankruptcy Rule 2015.3

For non-individual Debtors:

X /s/ Chris Ferraro

Signature of Authorized Individual

Chris Ferraro

Printed name of Authorized Individual

Date 3/20/2023

MM / DD / YYYY

For individual Debtors:

X

Signature of Debtor 1

Printed name of Debtor 1

Date

MM / DD / YYYY

X

Signature of Debtor 2

Printed name of Debtor 2

Date

MM / DD / YYYY

General Notes

On July 13, 2022 (the “Initial Petition Date”), Celsius Network LLC (“Celsius”) and certain of its affiliates, as debtors and debtors in possession (the “Initial Debtors”), filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the “Initial Chapter 11 Cases”) in the United States Bankruptcy Court for the Southern District of New York (the “Court”). On December 7, 2022, GK8 Ltd., GK8 UK Limited, and GK8 USA LLC (the “GK8 Debtors,” and together with the Initial Debtors, the “Debtors”), as debtors and debtors in possession, filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the “GK8 Chapter 11 Cases,” and together with the Initial Chapter 11 Cases, the “Chapter 11 Cases”). The Chapter 11 Cases are being jointly administered for procedural purposes only under the lead case *In re Celsius Network LLC*, Case No. 22-10964 (MG) (Bankr. S.D.N.Y.) pursuant to orders entered by the Court on July 19, 2022 [Docket No. 53] and December 8, 2022 [Docket No. 1648]. On July 27, 2022, the United States Trustee for Region 2 (the “U.S. Trustee”) appointed an official committee of unsecured creditors pursuant to section 1102(a) of the Bankruptcy Code [Docket No. 241]. On September 29, 2022, the Court entered an order appointing an examiner [Docket No. 920]. The Debtors are operating their business and managing their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Additional information about the Chapter 11 Cases, court filings, and claims information is available at the Debtors’ restructuring website: <https://cases.stretto.com/Celsius/>.

On February 21, 2023, the GK8 Debtors completed the sale of substantially all of their assets (the “Sale”) to Galaxy Digital Trading LLC (the “Buyer”) pursuant to the Asset Purchase Agreement dated as of December 2, 2022. Subject to certain adjustments, the aggregate purchase price was \$44 million for the GK8 assets, and included the assumption by the Buyer of certain liabilities of the GK8 Debtors. The sale was approved by the Bankruptcy Court on December 13, 2022 [Docket No. 1686] and closed on February 21, 2023.

General Methodology

This periodic report (the “Periodic Report”) of the non-debtor subsidiaries of the Debtors (the “Non-Debtors”) has been prepared solely for the purpose of complying with Rule 2015.3 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). The financial information contained herein is unaudited, limited in scope, and as such, has not been subject to procedures that would typically be applied to financial statements in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Form 426 should not be relied upon by any persons for information relating to current or future financial condition, events, or performance of any of the Non-Debtors or their affiliates, as the results of operations contained herein are not necessarily indicative of results which may be expected from any other period or for the full year, and may not necessarily reflect the combined results of operations, financial position, and schedule of receipts and disbursements in the future. There can be no assurance that such information is complete, and the Form 426 may be subject to revision. The following notes, statements, and limitations should be referred to, and referenced in connection with, any review of the Form 426.

Basis of Presentation

The financial information contained herein is presented per the Debtors' books and records without, among other things, all adjustments or reclassifications that may be necessary or typical with respect to consolidating financial statements or in accordance with U.S. GAAP. In preparing the Periodic Report, the Debtors relied on financial data derived from their books and records that was available at the time of such preparation. Although the Debtors have made commercially reasonable efforts to ensure the accuracy and completeness of the Periodic Report, subsequent information or discovery may result in material changes to the Periodic Report. As a result, inadvertent errors or omissions may exist. For the avoidance of doubt, nothing contained herein shall constitute a waiver of any rights of the Debtors, including the right to amend the information contained herein, and the Debtors hereby reserve all of their rights, including to amend and/or supplement the Periodic Report as may be necessary or appropriate.

Reservation of Rights

Nothing contained in this Periodic Report shall constitute a waiver or admission by the Debtors in any respect nor shall this Periodic Report or any information set forth herein waive or release any of the Debtors' rights or admission with respect to the Chapter 11 Cases, or their estates, including with respect to, among other things, matters involving objections to claims, substantive consolidation, equitable subordination, defenses, characterization or re-characterization of contracts, assumption or rejection of contracts under the provisions of chapter 3 of the Bankruptcy Code and/or causes of action under the provisions of chapter 5 of the Bankruptcy Code or any other relevant applicable laws to recover assets or avoid transfers. The Debtors are reviewing the assets and liabilities of their affiliates on an ongoing basis, including, without limitation, with respect to intercompany claims and obligations, and nothing contained in this Periodic Report shall constitute a waiver of any of the Debtors' or their affiliates' rights with respect to such assets, liabilities, claims, and obligations that may exist.

Currency

The amounts herein are presented in United States dollars, rounded to the nearest thousand, unless otherwise stated.

B426 (Official Form 426)

United States Bankruptcy Court
Southern District of New York

In re Celsius Network LLC, et al.

Case No. 22-10964 (MG)

<u>Name of Non-Debtor Entity</u>	<u>Interest of the Estate on 1/31/23</u>	
Celsius Network Europe d.o.o. Beograd (Serbia)	100%	
Celsius EU UAB (Lithuania)	100%	
Celsius Network IL Ltd. (Israel)	100%	
Celsius Network IL Ltd. – Bulgaria Branch	100%	See Note 1
Celsius Services CY Ltd (Cyprus)	100%	
Celsius (AUS) Pty Ltd. (Australia)	100%	
Celsius Network Limited (Gibraltar)	100%	
Celsius Mining IL Ltd (Israel)	100%	See Note 1
Celsius US LLC	100%	See Note 1
Celsius Management Corp	100%	See Note 1
Celsius Operations LLC	100%	See Note 1
KN Media Manager LLC	100%	See Note 1

Note 1 - This Periodic Report does not include information on certain dormant entities.

United States Bankruptcy Court
Southern District of New York
In re Celsius Network LLC, et al.

Case No. 22-10964 (MG)

Exhibit A-1: Balance Sheet of Non-Debtors

As of January 31, 2023

In US \$	Celsius Network Europe d.o.o. Beograd (Serbia)	Celsius EU UAB (Lithuania)	Celsius Network IL Ltd. (Israel)	Celsius Services CY Ltd (Cyprus)	Celsius (AUS) Pty Ltd. (Australia)	Celsius Network Limited (Gibraltar)
Assets						
Cash and cash equivalents	4,476,980.52	-	1,693,964.47	(118.49)	-	-
Accounts receivable, net	-	-	175,648.76	-	-	-
Intangible Assets	-	10,256,350.64	-	-	-	-
Other current assets	3,633,312.52	133,625,639.20	15,215,512.51	2,376,235.95	-	-
Current Assets	8,110,293.04	143,881,989.84	17,085,125.74	2,376,117.46	-	-
Property, plant and equipment, net	492,188.95	-	330,648.00	70,764.96	-	-
Other Assets & Investments in Subs	-	-	44,000,000.00	-	-	-
Total Assets	8,602,481.99	143,881,989.84	61,415,773.74	2,446,882.42	-	-
Liabilities and Equity						
Accounts Payable	-	-	751,334.52	4,780.44	-	-
Accrued Expenses and Other Current Liabilities	-	-	-	-	-	-
Current Liabilities	-	-	751,334.52	4,780.44	-	-
Accrued Expenses and Other Long Term Liabilities	11,988,678.27	90,058,701.12	174,516,737.77	4,003,157.07	46,681.06	48,056.76
Equity	(3,386,196.28)	53,823,288.72	(113,852,298.55)	(1,561,055.09)	(46,681.06)	(48,056.76)
Total Liabilities and Equity	8,602,481.99	143,881,989.84	61,415,773.74	2,446,882.42	-	-

United States Bankruptcy Court
Southern District of New York
In re Celsius Network LLC, et al.

Case No. 22-10964 (MG)

Exhibit A-2: Statement of Income (Loss)

As of January 31, 2023 YTD

In US \$	Celsius Network Europe d.o.o. Beograd (Serbia)	Celsius EU UAB (Lithuania)	Celsius Network IL Ltd. (Israel)	Celsius Services CY Ltd (Cyprus)	Celsius (AUS) Pty Ltd. (Australia)	Celsius Network Limited (Gibraltar)
Net Revenue	-	-	-	-	-	-
Total Cost of Sales	-	13,714,775.58	55,788.80	-	-	-
Gross Profit	-	(13,714,775.58)	(55,788.80)	-	-	-
Selling and General Administrative Expenses	219,112.68	-	384,596.59	59.00	-	-
Operating Income	(219,112.68)	(13,714,775.58)	(440,385.39)	(59.00)	-	-
Other income (expense), net	89,054.50	-	9,910.78	-	-	-
Net Income (loss)	(130,058.18)	(13,714,775.58)	(430,474.61)	(59.00)	-	-

Note - Intangible assets are remeasured through equity, while intangible liabilities are remeasured through the income statement, and as such certain Non-Debtor assets are offset by debtor changes in equity.

B426 (Official Form 426)

United States Bankruptcy Court
Southern District of New York

In re Celsius Network LLC, et al.

Case No. 22-10964 (MG)

Exhibit A-3: Statement of Cash Flows

Statements of cash flows are not prepared for each Controlled Non-Debtor Entity but rather only at the Celsius Network Inc. and Celsius Network Limited consolidated levels. System and resource constraints preclude the Debtors from preparing these statements at the Controlled Non-Debtor Entity level; therefore, these statements have been excluded from this filing.

B426 (Official Form 426)

United States Bankruptcy Court
Southern District of New York

In re Celsius Network LLC, et al.

Case No. 22-10964 (MG)

Exhibit A-4: Statement of Changes in Shareholders'/Partners' Equity (Deficit)

Statements of changes in shareholders' or partners' equity are not prepared for each Controlled Non-Debtor Entity but rather only at the Celsius Network Inc. and Celsius Network Limited consolidated levels. System and resource constraints preclude the Debtors from preparing these statements at the Controlled Non-Debtor Entity level; therefore, these statements have been excluded from this filing.

B426 (Official Form 426)

United States Bankruptcy Court
Southern District of New York

In re Celsius Network LLC, et al.
Case No. 22-10964 (MG)

Exhibit B: Description of Controlled Non-Debtor Entity's Business Operations

<u>Name of Non-Debtor Entity</u>	<u>Description</u>
Celsius Network Europe d.o.o. Beograd (Serbia)	Active - IT and R&D Operations
Celsius EU UAB (Lithuania)	Active - Retail client-facing entity
Celsius Network IL Ltd. (Israel)	Active - Owns Celsius Platform IP owner and other support services
Celsius Network IL Ltd. – Bulgaria Branch	Inactive - dormant
Celsius Services CY Ltd (Cyprus)	Active - Customer service/support (in process for becoming dormant)
Celsius (AUS) Pty Ltd. (Australia)	Active - minimal operations
Celsius Network Limited (Gibraltar)	Inactive - dormant
Celsius Mining IL Ltd (Israel)	Inactive - dormant
Celsius US LLC	Inactive - dormant
Celsius Management Corp	Inactive - dormant
Celsius Operations LLC	Inactive - dormant
KN Media Manager LLC	Inactive - dormant

B426 (Official Form 426)

United States Bankruptcy Court
Southern District of New York

In re Celsius Network LLC, et al.
Case No. 22-10964 (MG)

Exhibit C: Description of Intercompany Claims

Debtor and Non-Debtor entities engage in a variety of intercompany transactions as part of normal operations. The Debtors track all fund transfers through their accounting system and can ascertain, trace, and account for all intercompany transactions.

Please refer to *Debtors' Motion Seeking Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue to Operate Their Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms, and (D) Continue to Perform Intercompany Transactions, (II) Granting Superpriority Administrative Expense Status to Postpetition Intecompany Balances, and (III) Granting Related Relief* [Docket No. 21] and Debtors' Motion Seeking Entry of Interim and Final Order (I) Authorizing the GK8 Debtors to (A) Continue to Operate the GK8 Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (II) Granting Superpriority Administrative Expense Status to Postpetition GK8 Intercompany Balances, and (III) Granting Related Relief [Docket No. 1627] for more information.

The table below provides the intercompany balances between the Non-Debtor entities as of the Petition Date.

Entity	Celsius Network Ltd IL	Celsius Services CY Ltd.	Celsius (AUS) Pty Ltd.	Celsius Network Europe d.o.o. Beograd (Serbia)	Celsius Network (Gibraltar) Ltd.	Celsius EU UAB (Lithuania)
Celsius Network Ltd IL				(3,355,397)		
Celsius Services CY Ltd.						
Celsius (AUS) Pty Ltd.						
Celsius Network Europe d.o.o. Beograd (Serbia)	3,355,397					
Celsius Network (Gibraltar) Ltd.						
Celsius EU UAB (Lithuania)						

B426 (Official Form 426)

United States Bankruptcy Court
Southern District of New York

In re Celsius Network LLC, et al.

Case No. 22-10964 (MG)

Exhibit D: Allocation of Tax Liabilities and Assets

No tax payments, refunds or attributes have been allocated to the Non-Debtor entities. The tax accounts included in the financial statements of the Non-Debtor entities represent each individual entity's results without allocations.

There are currently no tax sharing or tax allocation agreements to which any Controlled Non-Debtor entity is a party.

B426 (Official Form 426)

United States Bankruptcy Court
Southern District of New York

In re Celsius Network LLC, et al.

Case No. 22-10964 (MG)

Exhibit E: Description of Controlled Non-Debtor Entity's payments of Administrative Expenses, or Professional Fees otherwise payable by a Debtor

As of the balance sheet date of the financials presented in **Exhibit A**, no payments of administrative expenses, professional fees, or otherwise were paid by the Controlled Non-Debtor Entities that would have otherwise been payable by a Debtor Entity. From time to time, a Controlled Non-Debtor will pay for services that may benefit both Debtor and Non-Debtor entities, but those services are obligations of the Controlled Non-Debtor.